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# 2016 COLLEGE AFFORDABILITY DIAGNOSIS

## LOUISIANA



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# LOUISIANA

COLLEGE  
AFFORDABILITY  
RANKING

32

Through the 1990s and early 2000s, Louisiana increased spending on the public colleges and universities that educate around 90 percent of its postsecondary students. After the Great Recession, state funding plunged, and institutions have made up the difference with program cuts and tuition hikes. In 2000, tuition accounted for only 25 percent of revenue at Louisiana's public institutions. By 2014, tuition revenue had risen to 45 percent.

These policy changes are having wide-reaching effects in a state where poverty is widespread and only 28 percent of working-age adults have at least an associate's degree, compared to 40 percent nationally.

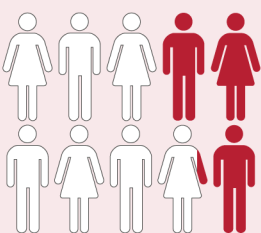
Louisiana's public two-year institutions are among the least affordable in the nation. Students would have to work, on average, 25 hours per week to pay for educational costs to attend these institutions full time. That cost represents half the yearly income for the quarter of Louisiana families earning \$30,000 or less annually.

Louisiana has not achieved equitable educational attainment by race and ethnicity. Thirty-five percent of White residents have an associate's degree or higher, compared with only 19 percent

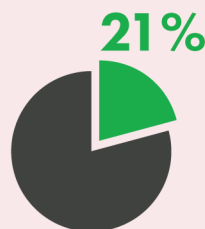
of Blacks, the state's largest minority group.

- ▶ The percent of family income needed to pay for college expenses has increased since 2008 at all institutions.
- ▶ Louisiana educates 32 percent of its students in its public two-year institutions. Students would have to work, on average, 25 hours per week to pay for costs to attend these schools full time.
- ▶ Students at Louisiana's public four-year nondoctoral institutions would have to work 30 hours, on average, to pay for full-time attendance. Students at public research universities would have to work, on average, 27 hours a week to pay for full-time attendance.
- ▶ Louisiana provides \$156 per student in need-based financial aid to attend public institutions, compared to the national average of \$474.
- ▶ By 2020, Louisiana's high school student population is projected to be 38 percent Black. State policy has not closed substantial gaps in college attainment between Blacks and Whites in Louisiana.
- ▶ One in four children lives in poverty in Louisiana.

More Louisiana students attend **public two-year institutions** than any other kind of institution, with **32 percent enrolled**. Families would spend, on average, **21 percent of annual income** to pay for full-time attendance.

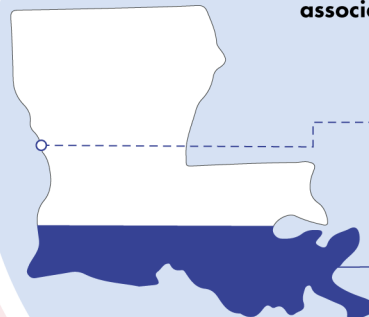


Percentage of students attending public two-year institutions



Percentage of family income required to pay for full-time attendance

On average, **30 percent** of working-age Louisiana state residents (age 25-64) have an associate's degree or higher. By 2020, **56 percent of jobs will require an associate's degree or higher**.



**56%**

Jobs requiring associate's degree or higher by 2020

**30%**

Workforce with associate's degree or higher, as of 2014

# WHAT PERCENT OF FAMILY INCOME would be needed to attend college full time?

	Percent of Income 2008	Percent of Income 2013	Ranking*
<b>Public Two-Year</b> (32 percent of enrollment) **	17	21	40
<b>Public Four-Year Nondoctoral</b> (29 percent of enrollment)	18	24	15
<b>Public Research</b> (28 percent of enrollment)	14	21	3
<b>Private Four-Year Nondoctoral</b> (6 percent of enrollment)	27	43	24
<b>Private Research</b> (4 percent of enrollment)	44	72	26

\* This measure ranked states 1-50. The lower the ranking on this measure, the better a state performed on overall college affordability.

\*\* Enrollment may not add up to 100% due to rounding.

**NOTE:** The "net price" reported in the following tables for each sector of higher education includes tuition, mandatory fees, room/board and books *minus* all financial aid (federal, state and institutional).

For information on how these measures were calculated or which institutions were included, please see the technical report, available at [www2.gse.upenn.edu/irhe/affordability-diagnosis](http://www2.gse.upenn.edu/irhe/affordability-diagnosis).

## STATE INCOME PROFILE

Income  
**\$0—30,000**  
Average Income in Group  
**\$16,373**  
Families in Group  
**28%**

Income  
**\$30,000 —48,000**  
Average Income in Group  
**\$38,874**  
Families in Group  
**17%**

Income  
**\$48,000—75,000**  
Average Income in Group  
**\$61,095**  
Families in Group  
**20%**

Income  
**\$75,000—110,000**  
Average Income in Group  
**\$91,420**  
Families in Group  
**17%**

Income  
**\$110,000 and above**  
Average Income in Group  
**\$183,365**  
Families in Group  
**18%**

# PERCENT OF FAMILY INCOME needed to attend full time:

### PUBLIC TWO-YEAR INSTITUTION

	Net Price	% of Income Needed to Pay Net Price
\$0—30,000	7,687	<b>47</b>
\$30,000—48,000	8,334	<b>21</b>
\$48,000—75,000	10,344	<b>17</b>
\$75,000—110,000	11,798	<b>13</b>
\$110,000 and above	11,519	<b>6</b>

Students would have to work 25 hours a week, on average, at federal minimum wage to pay for college expenses to attend a public two-year institution full time.

### PUBLIC FOUR-YEAR NONDOCTORAL INSTITUTION

	Net Price	% of Income Needed to Pay Net Price
\$0—30,000	8,842	<b>54</b>
\$30,000—48,000	9,836	<b>25</b>
\$48,000—75,000	11,977	<b>20</b>
\$75,000—110,000	13,281	<b>15</b>
\$110,000 and above	13,117	<b>7</b>

Students would have to work 30 hours a week, on average, at federal minimum wage to pay for college expenses to attend a public four-year nondoctoral institution full time.

### PUBLIC RESEARCH INSTITUTION

	Net Price	% of Income Needed to Pay Net Price
\$0—30,000	6,330	<b>39</b>
\$30,000—48,000	8,644	<b>22</b>
\$48,000—75,000	11,942	<b>20</b>
\$75,000—110,000	13,476	<b>15</b>
\$110,000 and above	13,694	<b>7</b>

Students would have to work 27 hours a week, on average, at federal minimum wage to pay for college expenses to attend a public research institution full time.

Source: Income data: U.S. Census Bureau; Net price data: U.S. Department of Education.

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## STATE INCOME PROFILE

Income

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Average Income in Group

**\$16,373**

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**28%**

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**\$30,000 —48,000**

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**\$61,095**

Families in Group

**20%**

Income

**\$75,000—110,000**

Average Income in Group

**\$91,420**

Families in Group

**17%**

Income

**\$110,000 and above**

Average Income in Group

**\$183,365**

Families in Group

**18%**

# PERCENT OF FAMILY INCOME needed to attend full time:

## PRIVATE FOUR-YEAR NONDOCTORAL INSTITUTION

	Net Price	% of Income Needed to Pay Net Price
\$0—30,000	16,408	<b>100</b>
\$30,000—48,000	17,480	<b>45</b>
\$48,000—75,000	21,122	<b>35</b>
\$75,000—110,000	21,530	<b>24</b>
\$110,000 and above	23,199	<b>13</b>

Students would have to work 51 hours a week, on average, at federal minimum wage to pay for college expenses to attend a private four-year nondoctoral institution full time.

## PRIVATE RESEARCH INSTITUTION

	Net Price	% of Income Needed to Pay Net Price
\$0—30,000	29,089	<b>178</b>
\$30,000—48,000	29,329	<b>75</b>
\$48,000—75,000	28,989	<b>47</b>
\$75,000—110,000	31,907	<b>35</b>
\$110,000 and above	40,636	<b>22</b>

Students would have to work 85 hours a week, on average, at federal minimum wage to pay for college expenses to attend a private research institution full time.

Source: Income data: U.S. Census Bureau; Net price data: U.S. Department of Education.

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## WHAT INVESTMENT DOES THE STATE MAKE to financial aid programs to make college more affordable?

### TOTAL STATE FINANCIAL AID DOLLARS PER STUDENT AT PUBLIC TWO- AND FOUR-YEAR INSTITUTIONS

	2004	2007	2013	National Average, 2013
<b>Need-Based Aid</b>	0	0	156	474
<b>Other Aid</b>	588	744	1160	210

### TOTAL STATE FINANCIAL AID DOLLARS PER STUDENT AT PRIVATE INSTITUTIONS

	2004	2007	2013	National Average, 2013
<b>Need-Based Aid</b>	0	0	114	644
<b>Other Aid</b>	509	536	698	221

Data Source: National Association of State Student Grant and Aid Programs and the U.S. Department of Education.

## HOW MUCH IS ANNUAL UNDERGRADUATE BORROWING for students who earn and do not earn degrees?

- ▶ Students who enroll in public research institutions typically borrow \$2,396 annually.
- ▶ Students who enroll at private research institutions typically borrow \$2,904 annually.
- ▶ Students who enroll at public four-year nondoctoral institutions typically borrow \$4,041 annually.
- ▶ Students who enroll at private four-year nondoctoral institutions typically borrow \$5,732 annually.
- ▶ In contrast, students who enroll at public two-year institutions borrow \$2,713 annually.

Data Source: U.S. Department of Education.

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# WHAT CONSIDERATIONS SHOULD STATES take into account in establishing policies on college affordability?

## Workforce Needs

- ▶ By 2020, 56 percent of jobs in Louisiana will require a postsecondary credential.
- ▶ Louisiana is 50th in terms of states with the highest percentage of jobs that will require a postsecondary credential in the future.

## Educational Attainment

- ▶ As of 2014, 32 percent of young adults in Louisiana (ages 25-34) had an associate's degree or higher compared to 42 percent nationally.
- ▶ As of 2014, 28 percent of working age adults in Louisiana (ages 35-64) had an associate's degree or higher, compared to 40 percent nationally.

## Educational Attainment by Race/Ethnicity

- ▶ As of 2014, on average 30 percent of working age Louisiana state residents (age 25-64) have an associate's degree or higher. However, attainment varies by race: 35 percent of Whites have an associate's degree or higher but the other two most populous racial groups (Blacks and Hispanics) have attainment of only 19 percent and 24 percent respectively.

## Educational Pipeline in Louisiana

- ▶ In 2020, Louisiana's public high school graduates are projected to be 38 percent Black and 4 percent Hispanic.
- ▶ The total number of high school graduates at public institutions in Louisiana are projected to decline by 4 percent between 2020 and 2028.
- ▶ However, the percent of graduates that are Black in Louisiana is projected to decline by 3 percent and the percent of graduates that are White is projected to decline by 3 percent while the percent of graduates that are Hispanic is projected to grow by 10 percent over the same time period.
- ▶ While the decline in White graduates is similar to projections for the nation (4 percent decline in White graduates between 2020 and 2028), the growth in Hispanics in Louisiana is significantly above national patterns (Hispanics are only projected to increase by 2 percent of national high school graduates by 2028). The decline in Black graduates is in the opposite direction of national trends (Blacks are projected to increase by 1 percent between 2020 and 2028).

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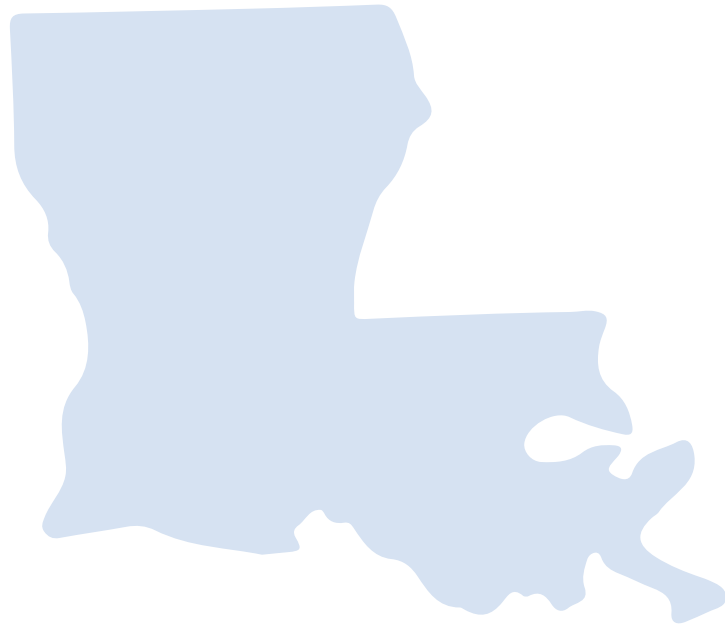


### Children in Poverty

- ▶ The percent of children living in poverty in Louisiana decreased between 2005 and 2013, from 28 percent to 27 percent.
- ▶ In 2013 Louisiana was ranked 41st in terms of percent of children living in poverty. Rank order is from lowest to highest percentages of poverty.

### Student Share of Total State and Tuition Revenues for Public Higher Education

- ▶ In Louisiana, total student share of state and net tuition revenues per full time student was 39 percent in 1989, 25 percent in 2000, and 45 percent in 2014, adjusted for inflation. This pattern shows that net tuition revenues were decreasing as a share of higher education funding from 1989 to 2000 but after the 2007-08 recession net tuition revenues increased rapidly.



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# POLICY QUESTIONS FOR STATE LEADERS

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- ▶ In what types of higher education institutions (sectors) has the state lost ground in college affordability?
- ▶ What are the economic circumstances of families in the state (by income quintiles, by different regions of the state, etc.)? What are the implications for college affordability?
- ▶ What is the projected demand for an educated workforce in the state? How far is your state from addressing this demand? To what extent is college affordability one of the barriers in educating more state residents?
- ▶ What are the gaps in college attainment between Whites and minority groups in your state? How can state policies on college affordability help to narrow these gaps?
- ▶ How is tuition policy related, if at all, to the income of the students and families that the state must educate?
- ▶ If tuition policy is delegated to public institutions, how does the state provide oversight to ensure that tuition and other educational costs are affordable for students and families?
- ▶ In what ways can state policies related to tuition be more tightly coupled with state policies on institutional appropriations and financial aid to address college affordability?
- ▶ To what extent do tuition policies encourage access to higher education and completion of certificates and degrees? How do financial aid policies address the needs of both young and working-age students?
- ▶ In what ways has the state provided incentives for institutions to improve efficiency and productivity in order to reduce the overall costs to students?
- ▶ Research shows that students who work more than 20 hours a week are less likely to make progress toward or complete their certificate or degree programs. How is the state alleviating the need for students to work more than 20 hours a week so that they can focus more on earning their certificates and degrees?
- ▶ How much are students borrowing relative to the percent of family income needed to pay for postsecondary education?
- ▶ Are all state policies that influence college affordability inadvertently stratifying higher education by income or race?

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